

Message Text

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ACTION AGR-20

INFO OCT-01 EUR-25 EA-11 IO-12 ADP-00 AID-20 CEA-02

CIAE-00 COME-00 EB-11 FRB-02 INR-10 NEA-10 NSAE-00

RSC-01 OPIC-12 TRSE-00 CIEP-02 LAB-06 SIL-01 SAL-01

OMB-01 PA-03 PRS-01 USIA-12 RSR-01 /165 W

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R 040900 Z APR 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 2842

INFO USMISSION EC BRUSSELS

USMISSION GENEVA

USMISSION OECD PARIS

UNCLAS TOKYO 4026

PASS AGRICULTURE

E. O. 11652: N/ A

TAGS: EAGR, ECON, JA

SUBJECT: JFY 1972 WHITE PAPER ON AGRICULTURE - JAPAN

1. SUMMARY: JFY 1972 WHITE PAPER ON AGRICULTURE (JAPANESE LANGUAGE VERSION) RELEASED MARCH 30. HIGHLIGHT IS EMPHASIS ON NEED FOR REAPPRAISAL OF JAPANESE AGRICULTURE TO FIND " NEW ROLE AND FUNCTIONS." HIGHLIGHT STEMS FROM CONTINUING LAGGING OF JAPANESE FARMING INDUSTRY BEHIND REST OF ECONOMY AND SEEMING INABILITY OF FARMING INDUSTRY TO ACCEPT RESTRUCTURING AND OTHER INNOVATIONS AND CHANGE NEEDED TO RE- DIRECT DECLINING POSITION. END SUMMARY.

2. JFY 1972 (JFY-72 IS YEAR ENDING MARCH 31, 1973) FARM OUTPUT IS REPORTED TO HAVE DROPPED 4.6 PERCENT COMPARED TO THE PREVIOUS YEAR. FOOD IMPORTS DURING THE SAME PERIOD INCREASED 9.1 PERCENT WITH BIGGEST INCREASES IN 1972 JANUARY- NOVEMBER UP ALMOST 18 PERCENT. SELF- SUFFICIENCY IN FARM PRODUCTS IN JFY 1971 WAS REDUCED TO 74 PERCENT, THE WHITE PAPER STATES, COMPARED TO 75 PERCENT IN JFY 1970.

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3. IN JFY-71 FARM INCOME FELL 7.6 PERCENT COMPARED TO JFY-70. THERE WAS A SHARP DECREASE OF 9.6 PERCENT IN FARM POPULATION; A DECLINE ACCORDING TO ONE REPORT, " NEVER FOUND IN ANY OTHER ADVANCED NATION." IN JFY-72 FARM FAMILIES RECEIVING PART OF THEIR INCOME FROM NON- FARM OCCUPATIONS COMPRISED 85.6 PERCENT OF THE TOTAL: 58.5 PERCENT RECEIVED MORE THAN HALF THEIR INCOME FROM NON-FARM ACTIVITIES, COMPARED TO 50.7 PERCENT IN JFY-71. FARMERS WHOSE INCOME WAS DERIVED EXCLUSIVELY FROM AGRICULTURE, DECLINED IN JFY-71 TO 4.4 PERCENT FROM THE 6.6 PERCENT OF THE PREVIOUS YEAR.

4. THE JAPANESE " WHITE PAPER" ON AGRICULTURE STEMS FROM THE BASIC AGRICULTURAL LAW OF 1961, WHICH SETS UP THE REQUIREMENT FOR AN ANNUAL REPORT ON AGRICULTURE TO THE DIET. THIS " REPORT" (WHITE PAPER) IS PUBLISHED IN MARCH OF EACH YEAR. THE ORIGINAL (IN 1962) SET FORTH ASSUMPTIONS ON WHICH TO GUIDE JAPANESE AGRICULTURAL POLICY. THESE ASSUMPTIONS INCLUDED: A REDUCTION OF THE FARMING POPULATION WILL RESULT IN A REDUCTION OF THE NUMBER OF FAMILIES DEPENDENT ON AGRICULTURE; HENCE PER CAPITA AND HOUSEHOLD PRODUCTIVITY IN AGRICULTURE WOULD INCREASE ASSUMING OUTPUT WAS SUSTAINED OR INCREASED, AS WAS EXPECTED. FROM THE FOREGOING IT WAS REASONED PER CAPITA FARM INCOME WOULD INCREASE AND SO WOULD SUPPLIES OF DOMESTICALLY PRODUCED FARM PRODUCTS. JAPANESE AGRICULTURE HAS PERFORMED IN THE DIRECTION OF THESE ASSUMPTIONS, BUT HAS NOT MEASURED UP TO MINIMUM LEVELS HOPED FOR, HENCE, THE JFY-72 WHITE PAPER STATES JAPANESE AGRICULTURE HAS REACHED A " TURNING POINT;" " AGRICULTURE AS AN INDUSTRY IS NOT KEEPING UP WITH THE REST OF THE ECONOMY," " GLOBAL FOOD SUPPLIES HAVE DECLINED;" " THE U. S. IS APPLYING PRESSURE ON JAPAN FOR LIBERALIZATION OF IMPORTS OF FARM PRODUCTS." THE PAPER STATES THAT ALL OF THESE POINTS UNDERSCORE THE NEED FOR FOOD IMPORT PROTECTION FOR THE JAPANESE FARMING INDUSTRY " FOR THE SAKE OF SELF- SUFFICIENCY IN STAPLE FOOD." ALSO, ACCORDING TO THE WHITE PAPER, JAPAN SHOULD ADJUST AGRICULTURAL IMPORTS, DIVERSIFY SOURCES OF IMPORTS AND INVEST IN AGRICULTURAL PRODUCTION OVERSEAS.

5. COMMENT: THE PAPER SETS UP THE QUESTION AS TO WHAT THE FUTURE ROLE OF JAPANESE AGRICULTURE SHOULD BE WITHIN THE CONTEXT OF THE TOTAL ECONOMY. IT SUGGESTS THAT THE JAPANESE ECONOMY HAS SHIFTED EMPHASIS FROM EXPANSION OF EXPORTS TO THE EXPANSION OF IMPORTS WITH INCREASING INVESTMENT IN DOMESTIC PROGRAMS RELATED TO THE GENERAL WELFARE. THESE PROGRAMS HAVE STEMMED FROM THE " DISTORTIONS" CAUSED BY EXCESSIVE ECONOMIC GROWTH. THE PAPER FAILS, HOWEVER, TO UNCLASSIFIED

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ANSWER THE QUESTION OR TO SUGGEST HOW JAPANESE AGRICULTURE COULD
BE
RESTRUCTURED AND WHAT ITS FUTURE PROSPECTS MAY BE IN THE MIDST OF
THE RAPIDLY CHANGING DOMESTIC AND WORLD ECONOMIC FORCES BEARING
DOWN ON JAPAN AT THE PRESENT TIME.

6. THE ABOVE MAJOR POINTS HAVE BEEN SUMMARIZED FROM THE ENGLISH
LANGUAGE PRESS AND CHECKED OUT AGAINST JAPANESE LANGUAGE COPY OF
WHITE PAPER BY AG ATT PROFESSIONALS. THE PAPER ITSELF IS 275
PAGES LONG WITH NUMEROUS TABLES AND GRAPHS. COMPLETE TRANSLATION IS
PROBABLY IMPRACTICABLE. IN DUE COURSE, HOWEVER, A MORE DETAILED
REPORT WILL BE FORWARDED, BASED ON TRANSLATION OF KEY EXCERPTS.
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*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 04 APR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973TOKYO04026
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730433/aaaahobl.tel
Line Count: 132
Locator: TEXT ON-LINE
Office: ACTION AGR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: kellerpr
Review Comment: n/a
Review Content Flags:
Review Date: 20 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20-Aug-2001 by reddocgw>; APPROVED <20-Dec-2001 by kellerpr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 971121
Subject: JFY 1972 WHITE PAPER ON AGRICULTURE - JAPAN
TAGS: EAGR, ECON, JA
To: AGR
EC BRUSSELS
GENEVA
OECD PARIS
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

